

Item 12: Consider First Reading of Ordinance No. 165,
Amending Rules 11, 21, 23 and 23.1, and Adding Rule 23.7
to Establish a Water Entitlement for Malpaso Water
Company, LLC

Presented by Stephanie Locke
July 20, 2015

Ordinance No. 165 Summary

- Establishes a Water Entitlement of 80.0 Acre-Feet Annually (AFA) to Malpaso Water Company, LLC (Malpaso) as a new Water Entitlement Holder.
- Water Entitlement Holder assigns water to its subscribers via “Assignment Document”
 - Water Permits for new or expanded construction projects may use up the allowed Water Use Permit amount.
- Streamlines the ordinance process for future Water Entitlements by reducing rule amendments needed.

Summary, continued

- 80.0 AFA Water Entitlement is based on State Water Board issuance of water right License #13868A for 85.6 AFA production from a new Malpaso-owned well (less conveyance losses).
- Malpaso to retain Cal-Am to operate its well and deliver Malpaso water to subscribers.
- License 13868A limits Malpaso water to parcels that are within Cal-Am and the Carmel River watershed and/or City of Carmel-by-the-Sea.
- Malpaso water will not be available until MPWMD approves new and amended Water Distribution Systems for Malpaso and Cal-Am, and the new well is completed.

Rule Changes

- Rule 11 – Definitions added or revised
- Rule 21E – Water Use Permit application for Benefitted Properties
- Rule 23C – Allocation adjustment for unused water capacity
- Rule 23.1 – Process for Water Use Permit
- Rule 23.7 – Adds Malpaso Water Company, LLC as a Water Entitlement Holder

Committee Review

- Water Supply Planning Committee reviewed concept on March 17, 2015
- Recommended an ordinance to amend Rules 11, 21, 23 and 23.1 and add Rule 23.7 to facilitate Malpaso Water Entitlement

CEQA Review

- As a CEQA Responsible Agency, the District may rely on the EIR for the *Eastwood/Odello Water Rights Change Petition* certified by the State Water Resources Control Board on July 3, 2015.
- The EIR evaluated the environmental effects of the new well and pipeline to be constructed by Malpasso, and the use of License 13868A to serve Malpasso water to Benefitted Properties within the Carmel River Watershed or City of Carmel-by-the-Sea.
- EIR copies with pertinent sections highlighted were provided to the District Board for its independent review and concurrence (see Findings #21 and 22 of Ordinance).
- Best management practices will reduce effects of well construction to less than significant.

Recommendation

- Receive public comment
- Consider adequacy of certified EIR for CEQA review and direct staff to prepare Notice of Determination for 2nd reading
- Approve the first reading of Ordinance No. 165